

SCHEDULES OF ASSETS AND LIABILITIES AND STATEMENT OF FINANCIAL AFFAIRS

GLOBAL NOTES AND STATEMENT OF LIMITATIONS, METHODOLOGY, AND DISCLAIMER REGARDING DEBTOR'S SCHEDULES AND STATEMENTS

The Schedules of Assets and Liabilities (the “**Schedules**”) and Statement of Financial Affairs (the “**SOFA**” and together with the Schedules, the “**Bankruptcy Schedules**”) of Preferred Communications Systems, Incorporated (the “**Debtor**”), have been prepared pursuant to section 521 of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rule 1007 of the Federal Rules of Bankruptcy Procedure by the Debtor and are unaudited. These Global Notes and Statement of Limitations, Methodology, and Disclaimer Regarding Debtor’s Schedules and Statements (the “**Global Notes**”) comprise an integral part of the Bankruptcy Schedules and should be referred to and considered in connection with any review of them.

The information provided herein, except as otherwise noted, is as of the close of business on July 27, 2021, the last date prior to the date of filing of the Debtor’s bankruptcy case (the “**Petition Date**”) on which financial information was available. Although the Debtor has made reasonable efforts to ensure that the Bankruptcy Schedules are as complete and accurate as possible in light of the circumstances, there can be no assurance that these Bankruptcy Schedules are, in fact, complete or accurate.

None of the Debtor nor the attorneys for the Debtor guarantees or warrants the accuracy, completeness, or currentness of the data that is provided herein and shall not be liable for any loss or injury arising out of or caused in whole or in part by the acts, errors, or omissions, whether negligent or otherwise, in procuring, compiling, collecting, interpreting, reporting, communicating or delivering the information contained herein. While every effort has been made to provide accurate and complete information herein, inadvertent errors or omissions may exist.

Specific Disclosures with Respect to the Debtor’s Schedules

Schedule E/F Part 2. The Debtor has used reasonable best efforts to report all general unsecured Claims against the Debtor on Schedule E/F Part 2 based upon the Debtor’s existing books and records as of the Petition Date.

The Claims listed on Schedule E/F Part 2 arose or were incurred on various dates. In certain instances, the date on which a Claim arose is an open issue of fact. Although reasonable efforts have been made to identify the date of incurrence of each Claim, determining the date upon which each Claim on Schedule E/F Part 2 was incurred or arose would be unduly burdensome and cost prohibitive and, therefore, the Debtors may not have listed a date for each Claim listed on Schedule E/F Part 2. As a general matter, the date of incurrence of each Claim was listed as the most recent invoice date, if available.

Schedule E/F Part 2 contains information regarding pending litigation involving the Debtor. The dollar amount of potential Claims associated with any such pending litigation is listed

as “undetermined” and marked as contingent, unliquidated and disputed in the Schedules and Statement.

The Debtor expressly incorporates by reference into Schedule E/F Part 2 all parties to pending litigation listed in Statement 7 as contingent, unliquidated and disputed claims, to the extent not already listed on Schedule E/F Part 2.

SCHEDULE G. The listing of any contract on Schedule G does not constitute an admission by the Debtor as to the validity of any such contract or that such contract is an executory contract or unexpired lease. The Debtor reserves all of its rights to dispute the effectiveness of any such contract listed on Schedule G or to amend Schedule G at any time to remove any contract. Listing a contract or agreement on Schedule G does not constitute an admission that such contract or agreement is an executory contract or unexpired lease or that such contract or agreement was in effect on the Petition Date or is valid or enforceable. The Debtor hereby reserves all of its rights to dispute the validity, status or enforceability of any contracts, agreements or leases set forth on Schedule G and to amend or supplement Schedule G as necessary.

The Debtor reserves all rights to amend the Bankruptcy Schedules, in all respects, as may be necessary or appropriate, including, but not limited to, the right to dispute or to assert offsets or defenses to any claim reflected on the Bankruptcy Schedules as to amount, liability or classification, or to otherwise subsequently designate any claim as “disputed,” “contingent” or “unliquidated.” Any failure to designate a claim as “contingent,” “unliquidated,” or “disputed” does not constitute an admission by the Debtor that such claim is not “contingent,” “unliquidated,” or “disputed.”

Specific Disclosures with Respect to the Debtor’s Statements

Statement 7. Information provided in Statement 7 includes only those legal disputes and administrative proceedings that are formally recognized by an administrative, judicial or other adjudicative forum. Additionally, any information contained in Statement 7 shall not be a binding representation of the Debtor’s liabilities with respect to any of the suits and proceedings identified therein.

Fill in this information to identify the case:Debtor name **Preferred Communication Systems, Incorporated**United States Bankruptcy Court for the: **DISTRICT OF DELAWARE**Case number (if known) **21-11082**☐ Check if this is an amended filing**Official Form 206Sum
Summary of Assets and Liabilities for Non-Individuals****12/15****Part 1: Summary of Assets****1. Schedule A/B: Assets-Real and Personal Property** (Official Form 206A/B)

1a. Real property: Copy line 88 from <i>Schedule A/B</i>	\$ 0.00
1b. Total personal property: Copy line 91A from <i>Schedule A/B</i>	\$ 1,100,904.76
1c. Total of all property: Copy line 92 from <i>Schedule A/B</i>	\$ 1,100,904.76

Part 2: Summary of Liabilities

2. Schedule D: Creditors Who Have Claims Secured by Property (Official Form 206D) Copy the total dollar amount listed in Column A, <i>Amount of claim</i> , from line 3 of <i>Schedule D</i>	\$ 0.00
3. Schedule E/F: Creditors Who Have Unsecured Claims (Official Form 206E/F)	
3a. Total claim amounts of priority unsecured claims: Copy the total claims from Part 1 from line 5a of <i>Schedule E/F</i>	\$ 173,832.98
3b. Total amount of claims of nonpriority amount of unsecured claims: Copy the total of the amount of claims from Part 2 from line 5b of <i>Schedule E/F</i>	+\$ 433,970.73
4. Total liabilities Lines 2 + 3a + 3b	\$ 607,803.71

Fill in this information to identify the case:Debtor name **Preferred Communication Systems, Incorporated**United States Bankruptcy Court for the: **DISTRICT OF DELAWARE**Case number (if known) **21-11082**☐ Check if this is an amended filing**Official Form 206A/B****Schedule A/B: Assets - Real and Personal Property**

12/15

Disclose all property, real and personal, which the debtor owns or in which the debtor has any other legal, equitable, or future interest. Include all property in which the debtor holds rights and powers exercisable for the debtor's own benefit. Also include assets and properties which have no book value, such as fully depreciated assets or assets that were not capitalized. In Schedule A/B, list any executory contracts or unexpired leases. Also list them on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G).

Be as complete and accurate as possible. If more space is needed, attach a separate sheet to this form. At the top of any pages added, write the debtor's name and case number (if known). Also identify the form and line number to which the additional information applies. If an additional sheet is attached, include the amounts from the attachment in the total for the pertinent part.

For Part 1 through Part 11, list each asset under the appropriate category or attach separate supporting schedules, such as a fixed asset schedule or depreciation schedule, that gives the details for each asset in a particular category. List each asset only once. In valuing the debtor's interest, do not deduct the value of secured claims. See the instructions to understand the terms used in this form.

Part 1: Cash and cash equivalents**1. Does the debtor have any cash or cash equivalents?**

- ☐ No. Go to Part 2.
☒ Yes Fill in the information below.

All cash or cash equivalents owned or controlled by the debtor**Current value of debtor's interest****3. Checking, savings, money market, or financial brokerage accounts (Identify all)**

Name of institution (bank or brokerage firm)

Type of account

Last 4 digits of account number

3.1. **Chase****Checking****9507****\$71,462.99****4. Other cash equivalents (Identify all)****5. Total of Part 1.**

Add lines 2 through 4 (including amounts on any additional sheets). Copy the total to line 80.

\$71,462.99**Part 2: Deposits and Prepayments****6. Does the debtor have any deposits or prepayments?**

- ☒ No. Go to Part 3.
☐ Yes Fill in the information below.

Part 3: Accounts receivable**10. Does the debtor have any accounts receivable?**

- ☒ No. Go to Part 4.
☐ Yes Fill in the information below.

Part 4: Investments**13. Does the debtor own any investments?**

- ☐ No. Go to Part 5.
☒ Yes Fill in the information below.

Debtor Preferred Communication Systems, Incorporated
Name

Case number (If known) _____

		Valuation method used for current value	Current value of debtor's interest
14.	Mutual funds or publicly traded stocks not included in Part 1 Name of fund or stock:		
15.	Non-publicly traded stock and interests in incorporated and unincorporated businesses, including any interest in an LLC, partnership, or joint venture Name of entity:	% of ownership	
15.1.	<u>Preferred Operating Company</u>	<u>81</u> %	<u>Unknown</u>

16. **Government bonds, corporate bonds, and other negotiable and non-negotiable instruments not included in Part 1**
Describe:

17. **Total of Part 4.**
Add lines 14 through 16. Copy the total to line 83.

<u>\$0.00</u>

Part 5: Inventory, excluding agriculture assets

18. Does the debtor own any inventory (excluding agriculture assets)?

- ☒ No. Go to Part 6.
☐ Yes Fill in the information below.

Part 6: Farming and fishing-related assets (other than titled motor vehicles and land)

27. Does the debtor own or lease any farming and fishing-related assets (other than titled motor vehicles and land)?

- ☒ No. Go to Part 7.
☐ Yes Fill in the information below.

Part 7: Office furniture, fixtures, and equipment; and collectibles

38. Does the debtor own or lease any office furniture, fixtures, equipment, or collectibles?

- ☐ No. Go to Part 8.
☒ Yes Fill in the information below.

	General description	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
39.	Office furniture Miscellaneous Furniture and Equipment	<u>\$1,322.77</u>		<u>\$1,322.77</u>

40. **Office fixtures**

41. **Office equipment, including all computer equipment and communication systems equipment and software**

42. **Collectibles** Examples: Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects; china and crystal; stamp, coin, or baseball card collections; other collections, memorabilia, or collectibles

43. **Total of Part 7.**
Add lines 39 through 42. Copy the total to line 86.

<u>\$1,322.77</u>

44. **Is a depreciation schedule available for any of the property listed in Part 7?**
☒ No

Debtor Preferred Communication Systems, Incorporated
Name

Case number (If known) _____

☐ Yes

45. Has any of the property listed in Part 7 been appraised by a professional within the last year?

☒ No

☐ Yes

Part 8: Machinery, equipment, and vehicles

46. Does the debtor own or lease any machinery, equipment, or vehicles?

☒ No. Go to Part 9.

☐ Yes Fill in the information below.

Part 9: Real property

54. Does the debtor own or lease any real property?

☒ No. Go to Part 10.

☐ Yes Fill in the information below.

Part 10: Intangibles and intellectual property

59. Does the debtor have any interests in intangibles or intellectual property?

☐ No. Go to Part 11.

☒ Yes Fill in the information below.

General description	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
60. Patents, copyrights, trademarks, and trade secrets			
61. Internet domain names and websites			
62. Licenses, franchises, and royalties Three (3) Band 26 800 MHz SMR Licenses in Puerto Rico Totalling 5.65 MHz of Spectrum (WPRQ948, WPRQ954 and WPRQ962)	\$17,356,950.00		Unknown

63. Customer lists, mailing lists, or other compilations

64. Other intangibles, or intellectual property

65. Goodwill

66. Total of Part 10.

Add lines 60 through 65. Copy the total to line 89.

\$0.00

67. Do your lists or records include personally identifiable information of customers (as defined in 11 U.S.C. §§ 101(41A) and 107?

☒ No

☐ Yes

68. Is there an amortization or other similar schedule available for any of the property listed in Part 10?

☒ No

☐ Yes

69. Has any of the property listed in Part 10 been appraised by a professional within the last year?

☒ No

☐ Yes

Debtor Preferred Communication Systems, Incorporated
Name

Case number (If known) _____

Part 11: All other assets

70. Does the debtor own any other assets that have not yet been reported on this form?

Include all interests in executory contracts and unexpired leases not previously reported on this form.

☐ No. Go to Part 12.

☒ Yes Fill in the information below.

Current value of
debtor's interest

71. Notes receivable

Description (include name of obligor)

**Note Receivable from Preferred
Spectrum Investments**

0.00 -

0.00 =

\$0.00

72. Tax refunds and unused net operating losses (NOLs)

Description (for example, federal, state, local)

Tax Refund - Deferred Tax Asset

Tax year _____

\$183,718.00

Tax Refund

Tax year **2014**

\$844,401.00

73. Interests in insurance policies or annuities

74. Causes of action against third parties (whether or not a lawsuit has been filed)

75. Other contingent and unliquidated claims or causes of action of every nature, including counterclaims of the debtor and rights to set off claims

**Derivative Claims in Dorothy Agar, et al. v. Michael
Judy, et al., C.A. No. 9541-VCL**

Unknown

Nature of claim

Amount requested

\$0.00

**Setoff Rights Agreement of Michael Judy in Self-Dealing
Transaction**

Unknown

Nature of claim

Amount requested

\$0.00

76. Trusts, equitable or future interests in property

77. Other property of any kind not already listed *Examples: Season tickets, country club membership*

Refund from VentureTel700 for FCC License

Unknown

78. Total of Part 11.

Add lines 71 through 77. Copy the total to line 90.

\$1,028,119.00

79. Has any of the property listed in Part 11 been appraised by a professional within the last year?

☒ No

☐ Yes

Debtor Preferred Communication Systems, Incorporated
Name

Case number (If known) _____

Part 12: Summary

In Part 12 copy all of the totals from the earlier parts of the form

Type of property	Current value of personal property	Current value of real property
80. Cash, cash equivalents, and financial assets. <i>Copy line 5, Part 1</i>	<u>\$71,462.99</u>	
81. Deposits and prepayments. <i>Copy line 9, Part 2.</i>	<u>\$0.00</u>	
82. Accounts receivable. <i>Copy line 12, Part 3.</i>	<u>\$0.00</u>	
83. Investments. <i>Copy line 17, Part 4.</i>	<u>\$0.00</u>	
84. Inventory. <i>Copy line 23, Part 5.</i>	<u>\$0.00</u>	
85. Farming and fishing-related assets. <i>Copy line 33, Part 6.</i>	<u>\$0.00</u>	
86. Office furniture, fixtures, and equipment; and collectibles. <i>Copy line 43, Part 7.</i>	<u>\$1,322.77</u>	
87. Machinery, equipment, and vehicles. <i>Copy line 51, Part 8.</i>	<u>\$0.00</u>	
88. Real property. <i>Copy line 56, Part 9.....></i>		<div><u>\$0.00</u></div>
89. Intangibles and intellectual property. <i>Copy line 66, Part 10.</i>	<u>\$0.00</u>	
90. All other assets. <i>Copy line 78, Part 11.</i>	+ <u>\$1,028,119.00</u>	
91. Total. Add lines 80 through 90 for each column	<div><u>\$1,100,904.76</u></div>	+ 91b. <div><u>\$0.00</u></div>
92. Total of all property on Schedule A/B. Add lines 91a+91b=92		<div><u>\$1,100,904.76</u></div>

Fill in this information to identify the case:

Debtor name **Preferred Communication Systems, Incorporated**

United States Bankruptcy Court for the: **DISTRICT OF DELAWARE**

Case number (if known) **21-11082**

☐ Check if this is an amended filing

Official Form 206D

Schedule D: Creditors Who Have Claims Secured by Property

12/15

Be as complete and accurate as possible.

1. Do any creditors have claims secured by debtor's property?

- ☒ No. Check this box and submit page 1 of this form to the court with debtor's other schedules. Debtor has nothing else to report on this form.
- ☐ Yes. Fill in all of the information below.

Fill in this information to identify the case:Debtor name **Preferred Communication Systems, Incorporated**United States Bankruptcy Court for the: **DISTRICT OF DELAWARE**Case number (if known) **21-11082**☐ Check if this is an amended filing**Official Form 206E/F****Schedule E/F: Creditors Who Have Unsecured Claims****12/15**

Be as complete and accurate as possible. Use Part 1 for creditors with PRIORITY unsecured claims and Part 2 for creditors with NONPRIORITY unsecured claims. List the other party to any executory contracts or unexpired leases that could result in a claim. Also list executory contracts on *Schedule A/B: Assets - Real and Personal Property* (Official Form 206A/B) and on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G). Number the entries in Parts 1 and 2 in the boxes on the left. If more space is needed for Part 1 or Part 2, fill out and attach the Additional Page of that Part included in this form.

Part 1: List All Creditors with PRIORITY Unsecured Claims**1. Do any creditors have priority unsecured claims?** (See 11 U.S.C. § 507).☐ No. Go to Part 2.☒ Yes. Go to line 2.**2. List in alphabetical order all creditors who have unsecured claims that are entitled to priority in whole or in part.** If the debtor has more than 3 creditors with priority unsecured claims, fill out and attach the Additional Page of Part 1.

			Total claim	Priority amount
2.1	Priority creditor's name and mailing address Delaware Division of Revenue P.O. Box 830 Wilmington, DE 19899	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed	\$26,332.98	\$26,332.98
	Date or dates debt was incurred Last 4 digits of account number Specify Code subsection of PRIORITY unsecured claim: 11 U.S.C. § 507(a) (8)	Basis for the claim: Estimated Taxes Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		
2.2	Priority creditor's name and mailing address James R. Bell 224 Orange Blossom Road Tavernier, FL 33070	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed	\$15,000.00	\$15,000.00
	Date or dates debt was incurred March 1, 2021 to Present Last 4 digits of account number Specify Code subsection of PRIORITY unsecured claim: 11 U.S.C. § 507(a) (4)	Basis for the claim: Compensation Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		
2.3	Priority creditor's name and mailing address Kevin Shaffer 3444 Auburn Avenue Dacula, GA 30019	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed	\$15,000.00	\$15,000.00
	Date or dates debt was incurred March 1, 2021 to Present Last 4 digits of account number Specify Code subsection of PRIORITY unsecured claim: 11 U.S.C. § 507(a) (4)	Basis for the claim: Compensation Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes		

Debtor	Preferred Communication Systems, Incorporated <small>Name</small>	Case number (if known)
--------	---	------------------------

2.4	Priority creditor's name and mailing address Linda S. Allen 285 Poinsettia Avenue Vista, CA 92083	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed	\$25,000.00	\$13,650.00
------------	---	---	--------------------	--------------------

Date or dates debt was incurred March 1, 2021 to Present	Basis for the claim: Compensation
--	---

Last 4 digits of account number Specify Code subsection of PRIORITY unsecured claim: 11 U.S.C. § 507(a) (4)	Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
---	---

2.5	Priority creditor's name and mailing address Michael Judy 5874 East Nees Avenue Clovis, CA 93611	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed	\$37,500.00	\$13,650.00
------------	--	---	--------------------	--------------------

Date or dates debt was incurred March 1, 2021 to Present	Basis for the claim: Compensation
--	---

Last 4 digits of account number Specify Code subsection of PRIORITY unsecured claim: 11 U.S.C. § 507(a) (4)	Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
---	---

2.6	Priority creditor's name and mailing address Michael Scott 2600 West 7th Street Unit 2526 Fort Worth, TX 76107	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed	\$40,000.00	\$13,650.00
------------	--	---	--------------------	--------------------

Date or dates debt was incurred March 1, 2021 to Present	Basis for the claim: Compensation
--	---

Last 4 digits of account number Specify Code subsection of PRIORITY unsecured claim: 11 U.S.C. § 507(a) (4)	Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
---	---

2.7	Priority creditor's name and mailing address Richard M. Caglia P.O. Box 1111 Fresno, CA 93714	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed	\$15,000.00	\$15,000.00
------------	---	--	--------------------	--------------------

Date or dates debt was incurred March 1, 2021 to Present	Basis for the claim: Compensation
--	---

Last 4 digits of account number Specify Code subsection of PRIORITY unsecured claim: 11 U.S.C. § 507(a) (4)	Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
---	---

Part 2: List All Creditors with NONPRIORITY Unsecured Claims

3. List in alphabetical order all of the creditors with nonpriority unsecured claims. If the debtor has more than 6 creditors with nonpriority unsecured claims, fill out and attach the Additional Page of Part 2.

Amount of claim

Debtor **Preferred Communication Systems, Incorporated**
Name

Case number (if known) _____

3.1	Nonpriority creditor's name and mailing address Berger Harris LLP 1105 North Market Street 11th Floor Wilmington, DE 19801 Date(s) debt was incurred _____ Last 4 digits of account number _____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>Michael Judy; Advancement Demand for Agar Litigation</u> Is the claim subject to offset? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	\$42,859.68
3.2	Nonpriority creditor's name and mailing address Carole L. Downs 3712 East Highland Phoenix, AZ 85018 Date(s) debt was incurred _____ Last 4 digits of account number _____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>Litigation Claims</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$0.00
3.3	Nonpriority creditor's name and mailing address Cooch & Taylor P.A. 1007 North Orange Street Suite 1120 Wilmington, DE 19801 Date(s) debt was incurred <u>April 13, 2018</u> Last 4 digits of account number _____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: _____ Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$1,736.62
3.4	Nonpriority creditor's name and mailing address J. Barclay Knapp 388 Brownsburg Road Newtown, PA 18940 Date(s) debt was incurred _____ Last 4 digits of account number _____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>Litigation Claims</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$0.00
3.5	Nonpriority creditor's name and mailing address James R. Bell 224 Orange Blossom Road Tavernier, FL 33070 Date(s) debt was incurred <u>March 1, 2021 to Present</u> Last 4 digits of account number _____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Director Compensation</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$15,000.00
3.6	Nonpriority creditor's name and mailing address Kevin Shaffer 5779 Legends Club Drive Braselton, GA 30517 Date(s) debt was incurred _____ Last 4 digits of account number _____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Director Compensation</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$15,000.00
3.7	Nonpriority creditor's name and mailing address Linda S. Allen 285 Poinsettia Avenue Vista, CA 92083 Date(s) debt was incurred _____ Last 4 digits of account number _____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Secretary/Treasurer Compensation, July and August 2021</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$10,000.00
3.8	Nonpriority creditor's name and mailing address Michael Judy 5874 East Nees Avenue Clovis, CA 93611 Date(s) debt was incurred _____ Last 4 digits of account number _____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Chairman Compensation, March through June 2021</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$37,500.00

Debtor **Preferred Communication Systems, Incorporated**
Name

Case number (if known)

3.9	Nonpriority creditor's name and mailing address Michael R. Somers 14000 North 94th Street Unit 2138 Scottsdale, AZ 85260 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> \$59,450.00 <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>Carole Downs; Advancement Demand for Agar Litigation</u> Is the claim subject to offset? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes
3.10	Nonpriority creditor's name and mailing address Michael Scott 2600 West 7th Street Unit 2526 Fort Worth, TX 76107 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> \$40,000.00 <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>President/Director Compensation, March through June 2021</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
3.11	Nonpriority creditor's name and mailing address Morris James, LLP 500 Delaware Avenue Suite 1500 Wilmington, DE 19801-1494 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> \$66,466.39 <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>Michael Scott; Advancement Demand for Agar Litigation</u> Is the claim subject to offset? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes
3.12	Nonpriority creditor's name and mailing address North Sight Communications, Inc. 3221 Paseo Claro Levittown Toa Baja, PR 00949 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> \$36,191.70 <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: <u>Monthly Hosting Agreement Payment for Puerto Rico License Hosting</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
3.13	Nonpriority creditor's name and mailing address O'Kelly & O'Rourke, LLC 824 North Market Street Suite 1001A Wilmington, DE 19801 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> \$3,139.84 <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>Roman Kikta; Advancement Demand for Agar Litigation</u> Is the claim subject to offset? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes
3.14	Nonpriority creditor's name and mailing address O'Kelly & O'Rourke, LLC 824 North Market Street Suite 1001A Wilmington, DE 19801 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> \$22,704.83 <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>Carole Downs; Advancement Demand for Agar Litigation</u> Is the claim subject to offset? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes
3.15	Nonpriority creditor's name and mailing address O'Kelly & O'Rourke, LLC 824 North Market Street Suite 1001A Wilmington, DE 19801 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> \$53,929.83 <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: <u>Barclay Knapp; Advancement Demand for Agar Litigation</u> Is the claim subject to offset? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes

Debtor **Preferred Communication Systems, Incorporated**
Name

Case number (if known)

3.16	Nonpriority creditor's name and mailing address Richard M. Caglia P.O. Box 1111 Fresno, CA 93714 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: Director Compensation, March through June 2021 Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$15,000.00
3.17	Nonpriority creditor's name and mailing address Roman Kikta 5608 Glenbrook Circle Plano, TX 75093 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed Basis for the claim: Litigation Claims Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$0.00
3.18	Nonpriority creditor's name and mailing address Staples Inc. P.O. Box 660409 Dallas, TX 75266 Date(s) debt was incurred April 13, 2018 Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: ____ Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$0.47
3.19	Nonpriority creditor's name and mailing address Stephoe & Johnson LLP Attn: Christopher Bjornson, Esquire 1330 Connecticut Avenue, N.W. Washington, DC 20036 Date(s) debt was incurred ____ Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: ____ Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$0.00
3.20	Nonpriority creditor's name and mailing address Williford Firm LLC 1007 Delaware Avenue, #235 Wilmington, DE 19801 Date(s) debt was incurred September 23, 2019 Last 4 digits of account number ____	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed Basis for the claim: ____ Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	\$14,991.37

Part 3: List Others to Be Notified About Unsecured Claims

4. List in alphabetical order any others who must be notified for claims listed in Parts 1 and 2. Examples of entities that may be listed are collection agencies, assignees of claims listed above, and attorneys for unsecured creditors.

If no others need to be notified for the debts listed in Parts 1 and 2, do not fill out or submit this page. If additional pages are needed, copy the next page.

Name and mailing address

On which line in Part 1 or Part 2 is the related creditor (if any) listed?

Last 4 digits of account number, if any

Part 4: Total Amounts of the Priority and Nonpriority Unsecured Claims

5. Add the amounts of priority and nonpriority unsecured claims.

5a. Total claims from Part 1
5b. Total claims from Part 2

5c. Total of Parts 1 and 2
Lines 5a + 5b = 5c.

Total of claim amounts	
5a.	\$ 173,832.98
5b.	+ \$ 433,970.73
5c.	\$ 607,803.71

Fill in this information to identify the case:

Debtor name **Preferred Communication Systems, Incorporated**

United States Bankruptcy Court for the: **DISTRICT OF DELAWARE**

Case number (if known) **21-11082**

☐ Check if this is an amended filing

Official Form 206G

Schedule G: Executory Contracts and Unexpired Leases

12/15

Be as complete and accurate as possible. If more space is needed, copy and attach the additional page, number the entries consecutively.

1. Does the debtor have any executory contracts or unexpired leases?

☐ No. Check this box and file this form with the debtor's other schedules. There is nothing else to report on this form.

☒ Yes. Fill in all of the information below even if the contacts of leases are listed on *Schedule A/B: Assets - Real and Personal* (Official Form 206A/B). *Property*

2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.1. State what the contract or lease is for and the nature of the debtor's interest **Network Hosting Agreement Phase II, dated July 30, 2015**

State the term remaining **Month-to-Month**

List the contract number of any government contract _____

**North Sight Communications, Inc.
3221 Levittown Boulevard
Toa Baja, PR 00949**

Fill in this information to identify the case:Debtor name **Preferred Communication Systems, Incorporated**United States Bankruptcy Court for the: **DISTRICT OF DELAWARE**Case number (if known) **21-11082**☐ Check if this is an amended filing**Official Form 206H
Schedule H: Your Codebtors****12/15**

Be as complete and accurate as possible. If more space is needed, copy the Additional Page, numbering the entries consecutively. Attach the Additional Page to this page.

1. Do you have any codebtors?

- ☒ No. Check this box and submit this form to the court with the debtor's other schedules. Nothing else needs to be reported on this form.
☐ Yes

2. In Column 1, list as codebtors all of the people or entities who are also liable for any debts listed by the debtor in the schedules of creditors, Schedules D-G. Include all guarantors and co-obligors. In Column 2, identify the creditor to whom the debt is owed and each schedule on which the creditor is listed. If the codebtor is liable on a debt to more than one creditor, list each creditor separately in Column 2.

*Column 1: Codebtor**Column 2: Creditor***Name****Mailing Address****Name***Check all schedules that apply:*

2.1

Street

City

State

Zip Code

☐ D
☐ E/F
☐ G

2.2

Street

City

State

Zip Code

☐ D
☐ E/F
☐ G

2.3

Street

City

State

Zip Code

☐ D
☐ E/F
☐ G

2.4

Street

City

State

Zip Code

☐ D
☐ E/F
☐ G

Fill in this information to identify the case:

Debtor name **Preferred Communication Systems, Incorporated**

United States Bankruptcy Court for the: **DISTRICT OF DELAWARE**

Case number (if known) **21-11082**

☐ Check if this is an amended filing

Official Form 202

Declaration Under Penalty of Perjury for Non-Individual Debtors

12/15

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

Declaration and signature

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- ☒ *Schedule A/B: Assets—Real and Personal Property* (Official Form 206A/B)
- ☒ *Schedule D: Creditors Who Have Claims Secured by Property* (Official Form 206D)
- ☒ *Schedule E/F: Creditors Who Have Unsecured Claims* (Official Form 206E/F)
- ☒ *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G)
- ☒ *Schedule H: Codebtors* (Official Form 206H)
- ☒ *Summary of Assets and Liabilities for Non-Individuals* (Official Form 206Sum)
- ☐ *Amended Schedule*
- ☐ *Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders* (Official Form 204)
- ☒ Other document that requires a declaration **Corporate Ownership Statement**

I declare under penalty of perjury that the foregoing is true and correct.

Executed on **July 28, 2021**

X **Michael Scott**

Signature of individual signing on behalf of debtor

Michael Scott

Printed name

President

Position or relationship to debtor